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**KESM INDUSTRIES BERHAD**

**(Company No: 13022-A)**

## Press Release

### **A SOLID START FOR KESM**

**Automotive Industry Drives Chip Demand**

	<b>1H FY 15 (31/01/15)</b> RM '000	<b>1H FY 14 (31/01/14)</b> RM '000
Revenue	131,259	126,610
Profit Before Tax	10,134	6,679
Net Profit	7,509	4,901
Net Profit After Minority Interests	4,848	2,844
Earnings Per Share	11.3 sen	6.6 sen

**Kuala Lumpur, March 11, 2015:** KESM Industries Berhad (Bursa Securities: KESM), the largest independent burn-in service company in Malaysia announced its financial results for the first six months ended 31 January 2015.

Mr. Sam Lim, Executive Chairman & Chief Executive Officer of KESM said, "KESM has a remarkable and solid start into the new financial year. Revenue for the first six months increased by RM4.6 million from RM126.6 million to RM131.3 million in the previous corresponding period of 2014."

Half-year profit before tax increased by 52 percent to RM10.1 million from RM6.7 million as compared to that of the preceding year. Correspondingly, Profit after tax also increased to RM7.5 million from RM4.9 million recorded in the same period of last year. Net profit after minority interests rose to RM4.8 million, from RM2.8 million last year.

He added, "Demand for our burn-in and testing services continues to strengthen with an increase in the flow of orders. Our customers in auto-electronics are enjoying good growth."

According to leading market indicator, the semiconductor industry is projected to grow at 5.4 percent with sales reaching US\$358 billion in 2015 from US\$339.8 billion last year.

Mr. Lim continued, "The semiconductor industry is continuing its upward trend in 2015 which will augur well for KESM. Within this industry, the device demand from automotive manufacturers is expected to exhibit the strongest annual growth, significantly higher than the communications segment."

He pointed out, "In previous years, while the semiconductor contents were featured mainly in luxury cars, higher quantities of semiconductors are now installed in vehicles across all categories, driving demands even higher."

According to a Global Auto Report by a research firm, the international car sales are set to scale new heights, advancing an additional 4 percent to reach unit volume of 74.02 million in 2015.

He remarked, “Although KESM is experiencing higher wage costs in Malaysia as well as in China due to the minimum wage schemes implemented in both countries, these costs are mitigated by higher productivity programs driven by the company.”

He concluded, “Moving forward, KESM remains confident and focused on our strategic plans as the semiconductor industry and GDP growth projections show a healthy outlook for 2015.”

#### **About KESM Industries Berhad**

KESM Industries Berhad is the largest independent burn-in service company in Malaysia, specializing in “burn-in” and “test” of integrated circuits. KESM, the first burn-in “service company” to be accredited with ISO 9002 and QS 9000, is fully committed to promoting the highest quality of services to the electronics and semiconductor industries. For more information, please visit: [www.kesmi.com](http://www.kesmi.com)

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